

TOKYO 2020

Will the Olympics win the gold for IP protection?

The Olympic Games bring out the best in the world's athletes, IP lawyers and counterfeiters. The 2020 Tokyo Games – set to kick-off in July 2021, thanks to the ongoing coronavirus pandemic – might just turn the Olympic rings completely upside down. *Espie Angelica A. de Leon* reports.

Held in the midst of a global pandemic. In a country where surveys show most people are against it. Where foreign visitors will be banned from watching and audiences will be kept to very small numbers. At a time when millions have lost their livelihood. When companies are in belt-tightening mode, slashing advertising budgets in the process.

The Tokyo 2020 Summer Olympic Games, scheduled from July 23–August 8, 2021, will be lacklustre, bereft of the spectacle and thrill that characterized previous Games.

However, there could be a silver lining in all of these. With low interest in the event and weak purchasing power across the globe, can we expect fewer incidents of intellectual property infringement? Indeed, can the Olympics this year win the gold for IP protection?

The IP of the Olympic Games

The IP assets of the Olympic Games are protected globally. Among these IP assets are the five interlocking rings that serve as the official logo, other symbols and emblems of the Olympic and Paralympic Games, words and taglines associated with the events.

Host cities and candidate cities begin registering trademarks and domain names long before the Olympic cauldron is lit in their local stadium during the opening ceremony. The Summer Olympics scheduled in Paris in 2024 and Los Angeles in 2028 already have registered trademarks.

Each candidate city submits a file containing information pertaining to its planned hosting of the Games. This includes designs, logos, emblems and slogans which may be protected under trademarks or industrial designs; creative literary and artistic works eligible for copyright protection; and relevant data whose compilation, curation and arrangement may also be copyright protected.

“As part of the application process, all hopeful hosts of the Olympics and Paralympic Games have to provide extensive governmental assurances that they will protect the International Olympic Committee’s (IOC) IP, already some of the most legally-protected IPs in the world,” said Sudhansu Sahoo, legal associate at Khurana & Khurana in New Delhi.

"The IOC and its national Olympic committees have always guarded their IP carefully through extensive policing and enforcement activities. There is no reason to believe that Tokyo will be any different, either more or less," said Clark Lackert, shareholder at Carlton Fields in New York and IP counsel for New York City's bid to host the 2012 Summer Olympics.

Although Japan is not a signatory to the Nairobi Treaty on the Protection of the Olympic Symbol, the country has several trademark and related statutory protections for Tokyo 2020's IP assets such as civil and criminal remedies. These are the Trademark Act, Unfair Competition Prevention Act and the Copyright Act.

The Japanese Parliament also enacted legislation creating the cabinet-level position of Minister in Charge of the 2020 Tokyo Olympics and Paralympics in 2015.

Plus, the organizing committee in Tokyo prepared a brochure containing guidelines for using the IOC's brand and trademarks.

Counterfeit Olympics merchandise

IP infringement in connection with the Olympics may come in the form of counterfeiting. This involves using the IP on an assortment of merchandise such as apparel, pins, medallions, mugs, tumblers, glassware and others, without authorization including licenses.

"I would agree in principle that as the world has to tackle with a public health crisis, the excitement about the Olympics has been somehow eclipsed by the continuous fight against Covid-19. As a result, the buzzwords associated with the upcoming Tokyo Olympics are not the usual, upbeat anticipation about the spectacular ceremonies, event details and medal prospects," said Guo Cai, a partner at Jin Mao Law Firm in Shanghai and a professional volunteer at the 2008 Beijing Olympics.

"Reduced interest on the Games during the pandemic might send less incentives for infringing acts. Decreased purchasing power might also be a factor that held back counterfeit productions. In addition, travel restrictions and virus prevention measures might make it more difficult to produce and distribute counterfeits," said Cai.

"It might be possible that because of low purchasing power around the world due to the pandemic, there could be less IP infringements in terms of counterfeit products of Olympics-related merchandise and there is a huge possibility of low sales of souvenir items and/or less products in the market carrying Olympic symbols," said Sahoo.

Virna Emeline Z. Caringal-Divino, head of the trademark group at Ortega, Bacorro, Odulio, Calma & Carbonell in Manila, agrees that current developments offer less impetus for would-be infringers. However, she underscored the fact that the immense popularity of the Games cannot be overlooked.

"One cannot underestimate the popularity of the Games. There are still millions of sports fans who will follow it on television and other media. Hence, I

believe there will still be infringement by enterprising persons and entities who will find a way to generate interest in Olympics-related merchandise and attempt to lure purchasers online. I imagine, though, that the IOC, Japanese Olympic Committee and all allied organizations are undertaking strict monitoring activities to minimize, if not eliminate, infringement," Caringal-Divino said.

For Nikhil Srivastava, senior associate at Selvam & Selvam in Chennai, the fact that pirated merchandise is far less expensive and more easily available than official branded merchandise, especially in less-developed countries, means that weak purchasing power may actually lead to more infringement activities.

The same holds true in terms of access to the official Olympics broadcast, he added.

Ambush marketing: Rule 40 of the Olympic Charter

Another form of IP infringement is ambush marketing.

It is the practice of unofficially associating a brand or trademark with the quadrennial event even when the brand is not an official Olympics sponsor. One example is by greeting an Olympic athlete sponsored by the company and showing its trademark in connection with any symbol or word representing the Olympics. Another is by using official Olympic hashtags.

Cai said that, as with counterfeiting, travel restrictions and virus prevention measures may make onsite ambush marketing harder to carry out in Tokyo.

To curb ambush marketing during the Olympic Games and preserve the exclusivity provided to official sponsors, the IOC implemented by-law Rule 40 of the Olympic Charter.

Under Rule 40, only official sponsors of the Olympics may use its IP beginning nine days before the opening ceremony until three days after the closing ceremony. This means that during this blackout period – also called the Rule 40 Period – non-sponsors cannot send messages to or congratulate Olympic athletes on social media or through advertisements, with official hashtags, Olympic symbols and all. Only official sponsors, who paid a kingly sum for the privilege, can do that.

Due diligence is already undertaken early on to protect official sponsors from ambush marketers.

"[Host city] applicants have been asked to confirm what options they have already secured over advertising space within a 500 meter radius of proposed venue sites and on public transport, almost a decade ahead of time," Sahoo explained. "If the IOC is dissatisfied with any of this, the potential host will simply be left on the starting blocks. In addition to governmental protections, ticketing terms and conditions are required to draft to permit the hosts to eject spectators from inside venues should they be suspected of participating in ambush marketing initiatives."

For Tokyo 2020, the Japanese government and the Tokyo Organizing Committee have, through the Host City Contract and Marketing Plan, committed to prevent and battle trap ambush marketing during the Games.

"I think that the attractiveness or values of these IPs are really declining. Not only the sponsors of the Tokyo 2020 Games, but also the non-sponsors aren't trying to utilize these IPs, so I think infringement regarding these IPs is less common this year."

—TAISUKE MATSUMOTO, attorney-at-law, Field-R Law Offices, Tokyo, and an associate professor at Waseda University's Faculty of Sport Sciences

"There is a shared responsibility between personal sponsors and athletes for ambush marketing. Violations may jeopardize the athlete's Games eligibility and sponsors risk not being granted permission for future Games."

—VIRNA EMELINE Z. CARINGAL-DIVINO, head of trademarks, Ortega, Bacorro, Odulio, Calma & Carbonell, Manila

"The question to be answered is how aggressively the JOC, Japanese government and associated brand owners will enforce the existing law against ambush marketers and counterfeiters. The law is there. Action will be needed to enforce it."

—CLARK LACKERT, shareholder, Carlton Fields, New York, and IP counsel for New York City's bid to host the 2012 Summer Olympics

"Protecting IP is only half the battle. Enforcing it is often the more difficult part. While rights holders are constantly evolving and improving their protection mechanisms, infringers are also getting better at doing what they do."

—NIKHIL SRIVASTAVA, senior associate, Selvam & Selvam, Chennai

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But Sahoo has some reservations.

Citing social media and the entire online space as fixtures of the modern world, he said: "Even though Twitter and Facebook have maintained the status that 'If you are not an official sponsor, then don't try to advertise by using any connection to Olympics' and have guidelines for the same, this however has not worked as being the best deterrent for brands."

At the same time, though, Sahoo admitted that some brands have pushed back some of their advertisements after the Games were cancelled in 2020 and re-scheduled this year.

"With these protectionist measures of the IOC and Tokyo Organizing Committee, absence of physical audience, lack of interest shown by the citizens of Japan and the overall resentment for the Games owing to the pandemic," said Sahoo, "it can be concluded that less IP infringement cases are to be expected this year."

Taisuke Matsumoto, an attorney-at-law at Field-R Law Offices in Tokyo and an associate professor at Waseda University's Faculty of Sport Sciences, agrees with Sahoo.

"I think that the attractivity or values of these IPs are really declining," said Matsumoto. "Although the IOC has announced that Covid-19 vaccines will be provided to all Olympians who will participate in the Tokyo 2020 Games, the Japan Government couldn't secure enough of the vaccines for the Japanese citizens until now. Now the Organizing Committee is still recruiting volunteer doctors and clinical nurses for the Games," he said. "Not only the sponsors of the Tokyo 2020 Games, but also the non-sponsors aren't trying to utilize these IPs, so I think infringement regarding these IPs is less common this year."

Relaxing Rule 40 restrictions

Some countries have relaxed the Rule 40 restrictions for their athletes headed for Tokyo, where the Paralympic Games will also be staged. The United States is one of them.

Relaxing the restrictions means that during the Rule 40 Period, the following will be allowed within specific parameters: Olympic athletes' personal sponsors (but not official sponsors) congratulating/greeting the athlete on the brand's social media page and corporate website and engaging in generic

advertising; and the athletes publicly thanking their sponsors on social media and websites. But, first, the personal sponsor should be registered with the U.S. Olympic and Paralympic Committee (USOPC) via an online portal.

"This commitment renders to be more efficient towards curbing ambush marketing as it offers greater protection to its registrations than what the IP laws provide," said Sahoo.

"What I understand is that now, there is a shared responsibility between personal sponsors and athletes for ambush marketing. Violations may jeopardize the athlete's Games eligibility and for the sponsors, they risk cancellation of the Rule 40 permission or not being granted permission for future Games, not to mention liability for damages," said Caringal-Divino.

"Whether or not the USOPC relaxed the Rule 40 restrictions, the fact remains there are stringent rules on marketing under Rule 40, whether generic marketing or athlete-focused. Olympic and Paralympic IP can only be used commercially by official Games or Team USA sponsors. Therefore, the IP protection will still be very strong this year," she added.

As for the Japan Olympic Committee (JOC), Matsumoto said: "The JOC guideline for Rule 40 for the Tokyo 2020 Games hasn't relaxed enough and has some problems. This guideline allows the non-sponsor to utilize 'olympian' or 'paralympian' for their advertisement during the Tokyo 2020 period, but there are still many restrictions. In this guideline, there are no permitted cases shown like the USOPC guidelines, so it is uncertain for non-sponsors to utilize 'olympian' or 'paralympian' during the Tokyo 2020 period."

After IP protection, comes enforcement

Whether there will be less incidents of IP infringement is difficult to say, said Srivastava.

"I will point out that protecting IP is only half the battle. Enforcing it is often the more difficult part. While rights holders are constantly evolving and improving their protection mechanisms, infringers are also getting better at doing what they do," he explained. "Piracy, infringement, ambush marketing – all of these may still happen even with the most robust IP protection systems in place."

"The question to be answered now, is how

aggressive the JOC, Japanese government and the associated brand owners will enforce the existing law against ambush marketers and counterfeiters," said Lackert. "The law is there. Action will be needed to enforce it."

It isn't only in Japan where enforcement should be undertaken, of course. The Games, held in modern times since 1896, has an enormous audience and fan base around the world. And this, certainly makes things harder.

"The logistics issues involved in prosecuting infringers across various jurisdictions further add to the difficulty in enforcing the IP of the Olympics," said Srivastava. "Having said this, I have seen that the IOC is quite vigilant in protecting its IP in India, so I imagine that they would have a similar approach in other jurisdictions as well."

In the case of China, Cai expects less infringement acts to occur due to amendments in the PRC Copyright Law in December 2020 and the issuance of the Supreme People's Court Opinions on Toughening Up Sanctions on Infringements of IP Rights Pursuant to Law (SPC Opinions on IP Rights) in September 2020.

To take effect on June 1, 2021, the PRC Copyright Law expands the scope of 'works' at legislative level by introducing 'audiovisual works' which include sports broadcasts. Whether live, delayed or on-demand, sports broadcasts now fall under the newly-added 'audiovisual works' category of the legislation and are now entitled to copyright protection.

Meanwhile, the SPC Opinions on IP Rights aims to work particularly against infringements of IP owned by "renowned brands and popular programmes, etc." The SPC ordered People's Courts at all levels to immediately review injunction applications and raise the compensation for IP infringement.

"Unauthorized streaming of sport events used to be rampant because the cost for infringement was so low, yet the process for enforcing any degree of protection could run so long," said Cai. "In conclusion, the amendment to the PRC Copyright Law and the SPC Opinions on IP Rights represented remarkable steps forward for protection of IP rights derived from sport events, thus expected to deter at least to some extent IP infringement in connection with the Olympics since the Tokyo Games."

Or would they? The combination of Covid-19 developments and technology trends seem to be steering us toward different directions, providing us with opposing answers to our questions.

But as Lackert said, the question really is how aggressive the JOC, government and brand owners will be when it comes to enforcement.

"We can only determine the result of these efforts," said Lackert, "as we move forward in September 2021 for the Paris Olympics in 2024."

Until then, we can only wait and see if the gold for IP protection, and enforcement, would have been won. 🏆



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